

AN ORDINANCE 2006-06-01-0650

**ADOPTING TAX PHASE-IN GUIDELINES PENDING FUTURE REVISIONS BY CITY COUNCIL; AND AUTHORIZING THE CITY MANAGER TO ENTER INTO TAX PHASE-IN AGREEMENTS WITH KAUTEX, INC. FOR A TERM OF TEN (10) YEARS AND 100% ABATEMENT OF AD VALOREM TAXES AND METAKOTE CORPORATION FOR A TERM OF 10 YEARS AND AN 80% ABATEMENT OF AD VALOREM TAXES.**

\* \* \* \* \*

**WHEREAS**, on January 8, 2004 the City Council adopted Tax Phase-In Guidelines (the "Guidelines") as required of taxing entities seeking to enter into tax abatement agreements by Section 312.002(a) of the Texas Tax Code; and

**WHEREAS**, by statute the Guidelines are effective for a period of two years; and

**WHEREAS**, the City Council wishes to adopt the Tax Phase-In Guidelines approved on January 8, 2004 until future revisions are made and approved through an official action of the City Council and to apply these Guidelines to tax abatement agreements entered into from January 8, 2006 forward; and

**WHEREAS**, in accordance with the Guidelines, City staff has evaluated tax abatement applications from Kautex, Inc. and Metakote Corporation, who are Tier 1 suppliers of Toyota Manufacturing, and who are individually seeking to locate to the Toyota Supplier Park which is within the City's Federal Empowerment Zone, thereby, automatically qualifying it as a Reinvestment Zone; and

**WHEREAS**, the tier-one Supplier Park project qualifies under the Guidelines as a Level 3 "exceptional investment" project, since the project collectively exceeds \$50,000,000.00 in total property investment and will create at least 500 permanent, full-time jobs; and

**WHEREAS**, the property is located south of Highway 90, thereby, qualifying it for a ten (10) year abatement under the Guidelines; and

**WHEREAS**, Kautex, Inc. has agreed to pay its employees no less than \$11.03 per hour thereby qualifying for a 100% abatement of ad valorem taxes on real and personal property improvements, inventory and supplies for a period of ten (10) years; and

**WHEREAS**, Metakote Corporation has agreed to pay its employees no less than \$9.06 per hour thereby qualifying for an 80% abatement of ad valorem taxes on real and personal property improvements, inventory and supplies for a period of ten (10) years; and

**WHEREAS**, the City Council finds that the proposed projects supports the City's Strategic Plan for Enhanced Economic Development by encouraging the attraction of new business to the targeted southern sector and promotes the growth of a targeted industry; and

**WHEREAS**, the City Council further finds that authorizing and approving the proposed tax phase-in agreements is a reasonable incentive to induce tier-one Toyota suppliers to locate in the area; and

**WHEREAS**, the City Council also finds that it is in the best interest of the City to approve these tax phase-in agreements to induce the desired and beneficial economic development in the area;  
**NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council hereby adopts the Tax Phase-In Guidelines approved on January 8, 2004 by City Ordinance No.98692 as the City's 2006 Tax Phase-In Guidelines pending future revisions by the City Council. The adopted guidelines are attached as Exhibit A.

**SECTION 2.** The City Council hereby approves the terms and conditions of a Tax Phase-In Agreement with Kautex, Inc. granting a one-hundred percent (100%), ten- year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies.

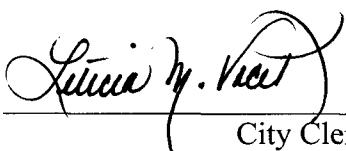
The City Council also approves the terms and conditions of a Tax Phase-In Agreement with Metakote Corporation granting an eighty-percent (80%), ten- year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies.


**SECTION 3.** The City Manager or a designated representative is authorized to execute tax phase-in agreements as approved in Section 2. The final agreements shall be filed with this ordinance upon execution. Such agreements shall be substantially in the forms of Exhibit B and C attached hereto and made a part of this ordinance.

**SECTION 4.** This ordinance shall be effective on and after the tenth day after passage.

**PASSED AND APPROVED** this 1<sup>st</sup> day of June 2006.

  
**M A Y O R**  
**PHIL HARDBERGER**

**ATTEST:**   
City Clerk

**APPROVED AS TO FORM:**   
City Attorney

# **EXHIBIT A**

# **TAX PHASE-IN GUIDELINES**

**FOR**

**BEXAR COUNTY**

**AND**

**THE CITY OF SAN ANTONIO**

## Policy Statement

The growth and diversity of a regional economy is critical to the long-term well being of a community and its citizens. Today, perhaps more than ever, communities must strategically plan and implement policies to achieve these goals. Through joint Tax Phase-in Guidelines for Bexar County and the City of San Antonio, the collaborative efforts of San Antonio's economic development partners are refining strategies to attract and grow targeted industries in order to increase employment, expand the tax base, and create long-term investment and new wealth opportunities in the community.

Both the City Council of the City of San Antonio and the Commissioners Court of County of Bexar, Texas will consider these guidelines to ensure that any abatement of property taxes achieves these community economic development goals.

While these Guidelines represent the joint economic development interests of Bexar County and the City of San Antonio for projects located within the corporate limits of San Antonio, the County will use the guidelines when considering abatements for any project to be located within its jurisdictional boundaries.

## Introduction

Chapter 312 of the Texas Tax Code authorizes local governments to abate ad valorem property taxes on the value of new improvements to the property, including real property, tangible personal property, and inventory and supplies. Taxing jurisdictions (e.g., Bexar County and the City of San Antonio) are required by this statute to develop and periodically review guidelines every two years for the eligibility and award of this tax incentive.

State law further requires that each taxing jurisdiction enter into a Tax Abatement Agreement with each owner of property or the owner of a leasehold interest in real property receiving an abatement or portion thereof. These agreements are binding legal documents between all parties involved. Additional provisions and requirements are included in those agreements.

### Eligibility Criteria

Under these Guidelines, to be eligible for consideration by these jurisdictions for a tax abatement, a company or project must meet and/or exceed all of the criteria, as described below:

- Minimum amounts of real or personal property investment must be achieved
- Minimum levels of full-time job creation must be achieved
- Employee access to health care benefits must be provided
- Minimum wage requirements for employees must be achieved
- Applicant must be in a targeted industry, or non-targeted industry but meeting exceptional investment requirements

The amount and term of the tax abatement will also be impacted by:

- The location of facility
- Other incentives used for same project
- Overall benefit to the community

These eligibility criteria, with the exception of the requirement of employee access to health care, do not apply to central city multi-family housing or mixed-use projects. The criteria for these projects can be found in Appendix A.

### *Investment*

If the project meets the following investment criteria, as well as the other criteria in these Guidelines, the Applicant will be eligible for an abatement of taxes on either the real property improvements **AND/OR** the new personal property investment. The following eligibility criteria do not apply to central city multi-family housing or mixed-use projects.

### **LEVEL 1 PROJECT**

Should the project meet the following investment criteria:

1. Real property improvements of at least \$1,000,000 in the property of interest **OR**
2. Investment of at least \$10,000,000 in new tangible personal property located at the property of interest, **AND**
3. Creation and maintenance of at least 25 new, full-time, permanent jobs

the company will be able to select an abatement of taxes of:

1. Up to 100% (40% from the County) on the real property improvements **OR**
2. Up to 100% (40% from the County) on the new personal property investment.

## LEVEL 2 PROJECT

Should the project meet the following investment criteria:

1. Total capital investment (real property improvements and new personal property investment) of at least \$25,000,000 in the property of interest **AND**
2. Creation and maintenance of at least 250 new, full-time, permanent jobs at the property of interest

the company will be able to select an abatement of taxes from one of the following categories, but not both:

1. Up to 100% (40% from the County) on the real property improvements **AND** up to 50% (20% from the County) on the new personal property investment **OR**
2. Up to 100% (40% from the County) on the new personal property investment **AND** up to 50% (20% from the County) on the real property improvements.

## LEVEL 3 PROJECT

A project will be considered an "exceptional investment" if the project meets the following criteria:

1. Total capital investment (real property improvements and new personal property investment) of at least \$50,000,000 in the property of interest **AND**
2. Creation and maintenance of at least 500 new, full-time, permanent jobs at the property of interest

Such projects will be eligible for an abatement of taxes of up to 100% (40% from the County) on the real property improvements **AND** the new personal property investment.

Additionally, a local company expanding its operations in Bexar County must hire at least 25% of its new employees from residents of Bexar County, regardless of the size of the project.

### *Employee Health Care Benefits*

The company seeking an abatement under these Guidelines must provide each full-time person employed at the project location and his or her dependents with access to affordable health insurance within a reasonably timely manner from the date the employee starts employment. **This criteria also applies to employees of central city multi-family housing projects.**

### *Wage Requirement*

In order to be eligible for a tax abatement, companies must meet the following wage requirements:

1. Throughout the term of the abatement, all (100 percent) new and existing employees of the company requesting a tax abatement, *at the project location*, must earn a cash wage exceeding the poverty level for a family of four, as determined annually by the U.S. Department of Health and Human Services (HHS). This Wage Requirement is indexed each year. Effective October 1, 2004, this Wage Requirement equals \$9.06 per hour.<sup>1</sup>
2. Within one year of project location opening, 70 percent of all new and existing employees at the project location must earn a cash wage exceeding the average hourly durable goods or non-durable goods (which includes services) wage standard, depending on how the company's activities at the project location are categorized.
  - a. Average Hourly Wage for Durable Goods: This is the wage standard for those companies engaging in durable goods manufacturing at the project location, at the time the tax phase-in agreement is executed. As published by the Texas Workforce Commission, the wage standard is determined by the average annual hourly wage for durable goods manufacturers in the San Antonio Metropolitan Statistical Area. This Wage Requirement is indexed each year (see footnote). Effective October 1, 2004, this wage is currently \$11.03 per hour.
  - b. Average Hourly Wage for Non-Durable Goods and Services: This is the wage standard for those companies engaging in non-durable goods manufacturing at the project location, at the time the tax phase-in agreement is executed. As published by the Texas Workforce Commission, the wage standard is determined by the average hourly wage for non-durable goods manufacturers in the San Antonio Metropolitan Area. This wage standard also applies to those companies engaged in services activities at the project location. This Wage Requirement is indexed each year (see footnote). Effective October 1, 2004, this wage is currently \$11.00 per hour.
  - c. For small, minority, or women-owned businesses with 100 or fewer employees, the City and County may consider abatements for firms whose wage levels may not meet the Average Hourly Wage for Durable Goods or the Average Hourly Wage for Non-Durable Goods and Services (outlined above).

If the company does not meet and maintain this Wage Requirement for all pertinent employees going forward, the company will be considered in default of the Agreement, possibly resulting in termination of the Agreement and subject to recapture of prior abated property taxes.

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<sup>1</sup> Once a company executes a tax abatement contract with the City of San Antonio or Bexar County, the wages are fixed for the term of the contract at the level at which they were indexed in the Guidelines at the time of execution of the contract.

### *Targeted Industries*

The majority of the company's business at the project location must be engaged in one of the following Targeted Industries, as defined in Appendix A:

- Agribusiness
- Aviation/Aerospace
- Biotechnology
- High Level Business Services
- Information Technology and Security
- Logistics and Distribution
- Manufacturing
- Telecommunications

Additionally, the following projects, as defined in Appendix A, are also eligible for consideration:

- Corporate and Regional Headquarters
- Central City Multi-Family Housing or Mixed-use Project

### *Non-targeted Industry*

Companies whose majority business is not in a Targeted Industry may still be eligible for a tax abatement only if they meet the criteria of a Level 3 Project as defined above.

**Regardless of the investment or jobs created, retail stores, retail centers, or businesses that competitively provide goods or services to consumers are not eligible for an abatement. In addition, hotel or motel facilities and outbound or contract call centers (see definition in Appendix A) are not eligible for an abatement. Furthermore, Neighborhood Empowerment Zones may not be used to grant abatements of sales taxes.**

### *Targeted Areas for Investment and Job Creation*

Certain areas are targeted for job creation and investment. Depending on the location of the project, the term of the abatement will vary, as follows (see map in Appendix B):

Areas eligible for a 10-year term:

- Projects located within Loop 410 or located south of U.S. Highway 90 will be eligible for an abatement term up to 10 years.
- Projects located within the Medical Center area, the boundaries of the San Antonio International Airport, or the Texas Research Park Foundation.



Areas eligible for a 6-year term:

- Projects located outside of Loop 410 and also located north of U.S. Highway 90 will be eligible for an abatement term up to 6 years.

Projects located over the Edwards Aquifer Recharge Zone or Contributing Zones:

- Projects located in whole or in part over the Edwards Aquifer Recharge Zone, as defined in Appendix A, are not eligible for an abatement.
- Projects located in whole or in part over the Contributing Zone or the Contributing Zone within the Transition Zone, as defined in Appendix A, require an affirmative vote by eight existing City Council members for approval of the tax abatement.

These criteria will not be used to favor one location over another in Bexar County, except as permitted by the Guidelines.

#### *Additional Terms and Conditions*

Each jurisdiction reserves the right to negotiate additional terms and conditions on a case-by-case basis.

Recipients of tax abatements will also agree to work with Alamo Workforce Development Inc. to facilitate the posting and advertisement of new jobs at the property of interest, as well as for the recruitment of potential qualified applicants for these positions. Alamo Workforce Development Inc. offers other employer services, such as assessment of basic skills and work aptitudes of potential employees, job matching services, labor market information, assistance in arranging workforce training, and outplacement services which the recipient may also access.

#### Amount of County Abatement

Property taxes are the single largest source of operating funds for Bexar County (70% of its General Fund revenue), while they are the third largest source of operating revenue for the City of San Antonio. So, dollar for dollar, a tax abatement has a greater organizational impact on the County government than on the City government. To help equitably invest in economic development projects using tax abatements, the County may grant an abatement of taxes up to 40% on the qualified real property improvements and new personal property investment. Applicants may, however, negotiate for additional County abatement participation if the project meets certain other criteria, as defined below. Commissioners Court shall not grant a tax abatement for the Flood Control tax levied by the County or for taxes levied on behalf of the University Health System.

Bexar County may increase the amount of the abatement up to 80% of taxes on qualified real property improvements and new personal property investment after considering these other project criteria:

- **Local Hire Incentive:** Applicant agrees to fill at least 25% of the employment positions created and maintained with individuals whose place of residence, for at

least six months prior to employment with the applicant, is located in Bexar County.

- **Hiring of Economically Disadvantaged or Dislocated Individuals Incentive:** Applicant commits that at least 25% of the employment positions created will be filled with economically disadvantaged and/or dislocated individuals.
- **Small, Minority, Women-owned Business Enterprise (SMWBE) Incentive:** Applicant agrees to make a good faith effort to award at least 25% of its contracted work to minority and women-owned business and will make a good faith effort to award at least 10% of its contracted work to small businesses. A good faith effort is defined as the applicant increasing involvement of SMWBEs in the projects procurement process within the areas of commodities, equipment, services (non-professional and operations), maintenance and construction.
- **Environmental Practices Incentive:** Applicant commits to demonstrating sound environmental practices when constructing, operating and maintaining the project. This includes, but is not limited to, the utilization of clean and renewable energies; the implementation of water conservation practices and flood protection measures; the provision of incentives for mass transportation alternatives to employment positions created and maintained; and the sponsorship of other innovative practices that serve to minimize the project's environmental impact and to protect water, land and energy resources for the economic benefit of the community.

Firms may also be considered for an additional 20% County tax phase-in on a case by case basis. For the final 20%, a County negotiating team composed of the County Judge, the Commissioner in whose Precinct the project will be located, and appropriate staff will negotiate, at the County's discretion, terms and conditions for any abatement of the final 20%. The County will give preference for payments in lieu of taxes in an amount equal to the final 20% being abated. These payments will be used for designated purposes, such as educational grants and funding, and other non-profit assistance. Consideration will be given for payments in lieu of taxes that will serve as cash matches to help leverage private sector investment in such educational and non-profit uses. In any case, these agreements are subject to final approval of the Commissioners Court as a whole, as is the case for all tax phase-in agreements.

#### *Recapture of Abated Taxes*

Tax abatement agreements will provide for recapture of abated property taxes in the event contract requirements are not met.

## APPENDIX A

### DEFINITIONS

Agribusiness: Businesses engaged in the research, development, manufacturing, or refining of agricultural products into foodstuffs or for use as intermediate products in the processing of other agricultural finished goods or products, including those related to defense operations.

Aviation/Aerospace: Companies primarily engaged in one or more of the following activities:

- (1) Manufacturing complete aircraft, missiles, or space vehicles
- (2) Manufacturing aerospace engines, propulsion units, auxiliary equipment or parts
- (3) Developing and making prototypes of aerospace products
- (4) Aircraft conversion (i.e., major modifications to systems)
- (5) Complete aircraft, missile, or space vehicle or propulsion systems maintenance, repair, overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications)
- (6) Research and development
- (7) Defense- related operations
- (8) Regional air passenger operations

Biotechnology: This industry comprises establishments primarily engaged in conducting research, development, and manufacturing in the physical, bio-engineering, and life sciences, such as pharmaceutical, agriculture, environmental, biology, botany, biotechnology, chemistry, food, fisheries, forests, health, and defense-related operations.

Call Center: A business in which the main task of a predominant number of the employees at the location is to receive communications via telephone, fax, electronic mail, or postal service for the purposes of providing customer service may be eligible for a tax abatement. A business whose predominant function is to make outbound calls or a business who contracts their call center services to other companies, regardless of whether or not the communications are inbound or outbound, are not eligible for a tax abatement.

Central City Multi-family Housing or Mixed-use Project: Multi-family market rate housing project or mixed-use project, defined as a project with housing units constituting at least 75 percent of the usable enclosed space, located within boundaries of the Empowerment Zone. Any tax increment reinvestment zones or tax increment financing zones within the aforementioned areas are excluded. See map in Appendix C.

Contributing Zone: The area or watershed where runoff from precipitation flows downgradient to the recharge zone of the Edwards Aquifer. The contributing zone is illustrated on Contributing Zone (Southern Part) for the Edwards Aquifer and Contributing Zone (Northern Part) for the Edwards Aquifer. The contributing zone is located upstream (upgradient) and

generally north and northwest of the recharge zone for the following counties (See map in Appendix D):

- (A) all areas within Kinney County, except the area within the watershed draining to Segment 2304 of the Rio Grande Basin;
- (B) all areas within Uvalde, Medina, Bexar, and Comal Counties;
- (C) all areas within Hays and Travis Counties, except the area within the watersheds draining to the Colorado River above a point 1.3 miles upstream from Tom Miller Dam, Lake Austin at the confluence of Barrow Brook Cove, Segment 1403 of the Colorado River Basin; and
- (D) all areas within Williamson County, except the area within the watersheds draining to the Lampasas River above the dam at Stillhouse Hollow reservoir, Segment 1216 of the Brazos River Basin. (From TCEQ rules 30 TEX. ADMIN. CODE Chapter 213 Subch. B §213.22(2))

Contributing Zone within the Transition Zone: The area or watershed where runoff from precipitation flows downgradient to the Recharge Zone of the Edwards Aquifer. The Contributing Zone Within the Transition Zone is located downstream (downgradient) and generally south and southeast of the Recharge Zone and includes specifically those areas where stratigraphic units not included in the Edwards Aquifer crop out at topographically higher elevations and drain to stream courses where stratigraphic units of the Edwards Aquifer crop out and are mapped as Recharge Zone. See map in Appendix D. (From TCEQ rules, 30 TAC, § 213.22(3))

Corporate and Regional Headquarters: The firm's corporate or regional legal principal place of business is located in Bexar County, and its total assets will be at least \$500,000,000 and/or its total revenues will be at least \$500,000,000 for the corporate fiscal year preceding the date of the filing of its application for Tax Phase-In with the City of San Antonio or Bexar County. This does not include the corporation's retail outlets.

High Level Business Services: Includes businesses or divisions of corporations that are primarily engaged in business support functions that require a high level of technical expertise, including, but not limited to finance/accounting, insurance/risk management, marketing, real estate/planning, project management, and other analytical services or transactional operations. It does not include call center operations, as previously defined. It is required that a majority of the positions at the project site require a bachelors degree, professional degree, or equivalent relevant professional experience.

Information Technology and Security: This industry comprises establishments primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies. The hardware and software components of the system may be provided by this establishment or company as part of integrated services or may be provided by third parties or vendors. These establishments often design and develop software, install the system and train and support users of the system.

Companies in this industry are engaged in the following activities:

- (1) Producing and distributing information and cultural products
- (2) Providing the means to transmit or distribute these products as well as data or communications

- (3) Research and development
- (4) Defense-related operations
- (5) Processing data

Logistics/Distribution: Businesses involved in the receiving, storage, service, or distribution of goods or materials, where a majority of the goods or services are distributed to points outside the San Antonio metropolitan statistical area. This includes defense-related operations.

Manufacturing: Businesses engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products - includes related research and development and defense-related operations.

Medical Center Area: The area bound by Louis Pasteur to the South, Babcock Road to the West, Fredericksburg Road to the East, and Huebner Road to the North.

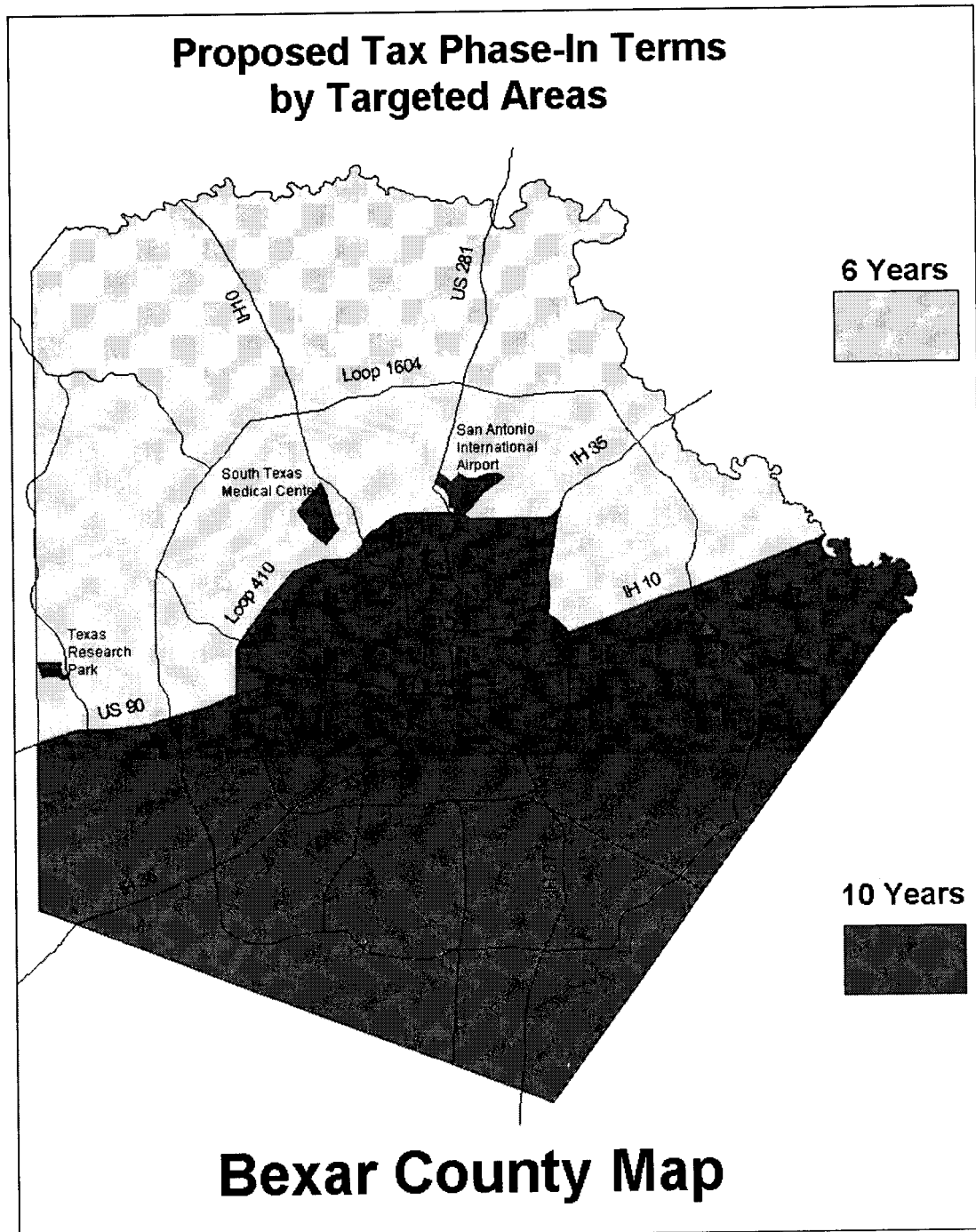
Recharge Zone: That area where the stratigraphic units constituting the Aquifer crop out, including the outcrops of other geologic formations in proximity to the Aquifer, where caves, sinkholes, faults, fractures, or other permeable features would create a potential for recharge of surface waters into the Aquifer. The recharge zone is identified as that area designated as such on official maps located at the Authority and in 30 TEX. ADMIN. CODE § 213.22. See map in Appendix D. (From Edwards Aquifer Authority rules, Chapter 713.1(45))

San Antonio International Airport Area: San Antonio International Airport is located in the north central portion of the city and is generally bounded by Wurzbach Parkway to the north, US 281 to the west, Loop 410 to the south and Wetmore Road to the east.

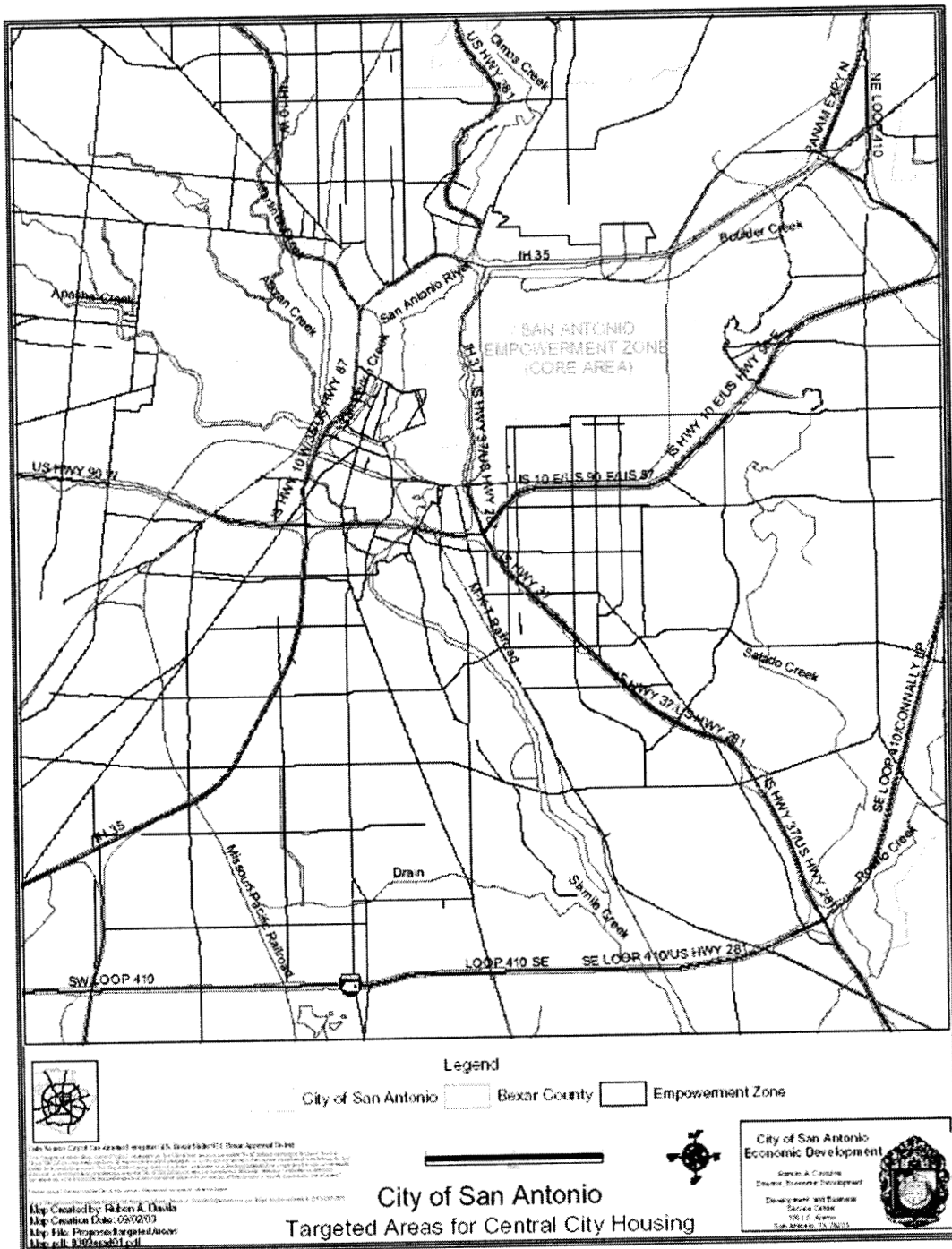
Telecommunications: Businesses primarily engaged in research & development, regional distribution, defense-related operations and the manufacturing of telecommunication-related products and services. It does not include operations involved in the retail sale of telecommunications products and services. It also does not include operations categorized as call centers.

Texas Research Park: The Texas Research Park is a 1,236-acre site, located in West Bexar County and connected to U.S. Highway 90 and Potranco Road (State Highway 1957). The Texas Research Park supports the development of a world-class center of bioscience research and medical education.

APPENDIX B



## APPENDIX C



EDWARDS AQUIFER RECHARGE ZONE  
BEXAR COUNTY



## **EXHIBIT B**

**CITY OF SAN ANTONIO  
TAX PHASE-IN AGREEMENT**

**1. PARTIES**

THIS AGREEMENT (the "Agreement") is entered into on this \_\_\_\_ day of \_\_\_\_\_ 2006, by and between TOYOTA TSUSHO AMERICA, INC. AND KAUTEX, INC. (hereinafter referred to as "SUPPLIER"), holding a leasehold interest in real property and as personal property owner, and the CITY OF SAN ANTONIO, a municipal corporation, (hereinafter referred to as the "CITY"), acting by and through its City Manager.

**2. AUTHORIZATION AND FINDINGS**

A. This Agreement is entered into pursuant to the following authorities:

1. The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;

2. CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 98692 on January 8, 2004, together which established the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones, (hereinafter referred to as the "Guidelines and Criteria");

3. The State of Texas designation of the SAN ANTONIO EMPOWERMENT ZONE/REINVESTMENT ZONE, EZ357-012302-SAEZ (the "Zone"); and

4. CITY COUNCIL ORDINANCE NO. \_\_\_\_\_, dated \_\_\_\_\_, 2006, which specifically approved this Agreement and authorized execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that while the terms of this Agreement may provide exceptions to the Guidelines and Criteria, the approval of this Agreement will not have any substantial long-term adverse effect on the provision of CITY services or the CITY'S tax base and the planned use of the Property (defined below) inside the Zone by SUPPLIER for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to the County of Bexar's Tax Abatement Agreement with the Supplier.

D. Toyota Motor Manufacturing Texas has certified in its agreement with Starbright Industrial Development Corporation that jobs referenced in this Agreement are separate and apart from any job creation requirements identified in any other agreements.

**3. PROPERTY**

A. SUPPLIER has a taxable leasehold interest in the real property which is the subject of this Agreement and which is indicated and legally described in Exhibit A, attached hereto and incorporated herein (the "Property"). With a real property improvement investment of approximately EIGHT MILLION TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS (\$8,256,000.00), a personal property investment of approximately FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00) and an investment of approximately ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000.00) in inventory and supplies (annual), SUPPLIER will construct a building on said Property and will provide TMMTX with fuel tank and fuel dispensing components to be assembled into its automotive product. SUPPLIER will conduct, on the Property, normal business activities including, but not limited to, activities in the manufacturing, assembly, or distribution of automotive components (hereinafter collectively referred to as the "Business Activities") or the normal Business Activities of a Related Organization (defined in Article 5, Paragraph I) so long as such Business Activities include the normal Business Activities of a manufacturer, assembler or distributor of automotive components or similar activity. SUPPLIER shall invest, or cause to be invested, approximately THIRTEEN MILLION EIGHT HUNDRED FIFTY-SIX THOUSAND DOLLARS (\$13,800,000.00) in real property improvements, personal property improvements, and supplies by JANUARY 1, 2007. SUPPLIER shall be entitled to tax abatements authorized herein for the real property improvements, personal property improvements, and inventory and supplies, above the Base Year Value (as defined in Article 6, Paragraph A) if SUPPLIER or a Related Organization undertakes Business Activities in accordance with the terms of this Agreement in the ZONE.

B. SUPPLIER will establish a tax account for real and personal property with the Bexar Appraisal District regarding the Property and provide these tax account numbers to the CITY.

#### **4. SUPPLIER'S REPRESENTATIONS**

A. SUPPLIER represents that they have no knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or any other City officer or employee. SUPPLIER further represents that they shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. SUPPLIER represents that there is no litigation pending against SUPPLIER for any violations under the Occupational Safety and Health Act ("OSHA").

#### **5. TERMS OF THE AGREEMENT**

A. Obligations of SUPPLIER. For SUPPLIER to receive the tax abatement authorized herein: (1) SUPPLIER shall own, hold an interest in or otherwise control the Property and shall invest, or cause to be invested, a minimum of EIGHT MILLION TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS (\$8,256,000.00) in the real property improvements, approximately FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00) in the personal

property improvements, and ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000.00) annually in inventory and supplies on the Property described in Article 3, Paragraph A by January 1, 2007; (2) SUPPLIER shall hire a minimum of FORTY-FIVE (45) non-temporary, full-time employees by JANUARY 1, 2007; and (3) SUPPLIER shall occupy and use the Property for its Business Activities and otherwise comply with the applicable terms of this Agreement.

B. Wage Requirement. SUPPLIER covenants and agrees that it shall pay at least one hundred percent (100%) of its employees nine dollars and six cents (\$11.03) per hour as of the time City Council of CITY authorized execution of this Agreement.

C. Full-Time Employee. For the purposes of this Agreement, a full-time job shall be equivalent to two thousand eighty (2,080) straight-time paid hours in a fiscal year.

D. Employee Benefits. SUPPLIER covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of SUPPLIER.

E. Compliance with Employment Regulation. SUPPLIER covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. Compliance with Business Activities Regulation. SUPPLIER also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph A) on the Property in accordance with all applicable federal, state and local laws.

G. Compliance with Construction Regulation. SUPPLIER shall construct, or cause to be constructed, any improvements made to the Property in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

H. Improvements Completion. SUPPLIER shall substantially complete, or cause to be completed, all real and personal property improvements by January 1, 2007 and will house SUPPLIER'S Business Activities (as defined in Article 3, Paragraph A) on the Property in the ZONE. SUPPLIER shall be entitled to such additional time to complete said improvements as may be required due to any "Force Majeure" event, so long as SUPPLIER diligently pursues said completion of improvements. For purposes of this Agreement, "Force Majeure" shall be as defined in Article 8 below. The CITY shall have the final determination, to be exercised reasonably and in good faith, whether to extend such period of time for said completion for reasons of Force Majeure. SUPPLIER shall notify the CITY of the completion of the personal property improvements by sending notice to the address listed in Article 9 (Notice) within one month of completion.

I. Authorized Business Activities. Except as provided herein, SUPPLIER covenants and agrees that it shall use the Property only to conduct its Business Activities. Without additional consent or approval by the City Council, a parent, subsidiary or affiliate organization of SUPPLIER or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of SUPPLIER, or any component thereof (hereinafter "Related Organization") may occupy and use the Property for such Related Organization's normal business activities, so long as such business activities are those of a manufacturer, distributor, and or producer of automotive components, or similar or comparable to the Business Activities of SUPPLIER on the Property. To be eligible for tax abatements as provided in this Agreement, such Related Organization shall comply with all applicable terms of this Agreement. Except as authorized above, SUPPLIER covenants and agrees not to change the principal use of the Property without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. Maintenance Obligations. SUPPLIER covenants and agrees that they shall maintain the Property and any constructed improvements in good repair and condition during the Tax Phase-In Period, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of SUPPLIER excepted. Compliance with the maintenance obligations imposed herein shall be presumed if SUPPLIER follows its normal and customary maintenance procedures and schedules.

K. Inspections by the City. Upon five business days prior notice to SUPPLIER by CITY, SUPPLIER covenants and agrees that they shall allow designated representatives of the CITY access to the Property during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. (This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances). The CITY's access to SUPPLIER's books and records will be limited to information needed to verify that SUPPLIER is and has been conducting Business Activities, and to verify the number of non-temporary full-time employees at the Facility. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require SUPPLIER to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of SUPPLIER. CITY representatives may be accompanied by SUPPLIER representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or the Facility; and (b) comply with SUPPLIER's reasonable security requirements.

L. Disclosure to Bexar Appraisal District. During the term of this Agreement, SUPPLIER covenants and agrees to furnish each year, as applicable the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax phase-in and for appraisal purposes.

M. Disclosure to CITY. SUPPLIER covenants and agrees that it shall provide the CITY's Director of Economic Development with a semi-annual certification from an officer of SUPPLIER attesting to the number of jobs created and maintained, as well as wages paid, by SUPPLIER on the Property. SUPPLIER shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY, during the term of this

Agreement. The information provided shall be on the forms set forth in, or substantially similar to the forms set forth in, Exhibit "C" (attached hereto and incorporated herein), as amended.

N. Local Employment Goal. SUPPLIER covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County.

O. Notification Requirement Regarding Sale, Transfer or Sub-lease of Property. SUPPLIER covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or sub-lease of the Property during the Term. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by SUPPLIER under Article 11 and any new purchaser or transferee requesting Assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph O may render SUPPLIER subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. Notification Requirement Regarding Relocation or Cessation of Business. SUPPLIER covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may render SUPPLIER subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

Q. Penalty for Default/Termination. If, during this Agreement SUPPLIER fails to create and retain at least the minimum number of non-temporary, full-time jobs required under Article 5, Paragraph A of this Agreement, or SUPPLIER fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against SUPPLIER.

R. Other Actions Resulting in Default/Termination. If, during this Agreement, SUPPLIER allows its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or is in default with any loan which has been made by the San Antonio Development Agency, South Texas Business Fund, City of San Antonio Industrial Development Authority or any other CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

## **6. TAX PHASE-IN**

A. Term. The Tax Phase-In Period (the "Term") for the Property improvements shall be for 10 years beginning on January 1 of the year following the City's annexation of the "Property," but not later than January 1, 2007. The base year for calculating the value of the Property shall be January 1, 2006. The "Base Year Value" of the Property shall be the assessed value

(determined by the Bexar Appraisal District), as of the Base Year, of the personal property located thereon.

B. Conditions Precedent. At the commencement of the Term, SUPPLIER shall own, have an interest in or otherwise control the Property. SUPPLIER shall also conduct its Business Activities on the Property. A Tax Phase-In shall be granted in each year of the Term as described in Article 6, Paragraph C below.

C. Additional Conditions and Tax Phase-In Percentage. Provided that SUPPLIER has invested in the Property real and personal property improvements as described in Article 3, Paragraph A of this Agreement by January 1, 2007, SUPPLIER has hired the number of employees specified in Article 5, Paragraph A of this Agreement, SUPPLIER pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, SUPPLIER uses the Property for its Business Activities, and SUPPLIER is otherwise in compliance with the conditions of this Agreement, then ONE-HUNDRED PERCENT (100%) of the ad valorem taxes for the real and personal Property improvements including inventory and supplies, above the Base Year Value, shall be abated during the Term. There shall be no abatement of taxes for the underlying land value.

D. Base Year Taxation. SUPPLIER understands and agrees that the Base Year Value of the Property and the tax levy based on said Base Year Value of the Property in the ZONE shall not decrease, but taxes may increase and that the amount of property taxes paid by SUPPLIER to the CITY attributable to the Property during the Term shall not be less than the amount of taxes attributable to the Property paid to the CITY for the base year tax year, if any, except in the event of casualty or condemnation of the Property in the ZONE.

E. Protest Rights. SUPPLIER shall have the right to protest appraisals of the Property, or any portion thereof, or the value of any improvements over and above the Base Year Value as applicable.

## 7. **DEFAULT/TERMINATION/RECAPTURE**

A. Relocation Defined. For purposes of this section, "Relocation" or "Relocate" shall mean SUPPLIER or a Related Organization which has taken the place of SUPPLIER, relocating Business Activities to a location outside the TMMTX supplier park.

B. Termination and Recapture of Taxes in Event of Relocation of Business Activities. If SUPPLIER occupies and uses the Property for its Business Activities and subsequently Relocates (as defined in this Article 7, Paragraph A) during the Term, except if such Relocation of Business Activities is caused by a Force Majeure, as defined in Article 8, then City Council shall have the right to terminate this Agreement and the Term. Said terminations shall be effective for the calendar year during which the Property was no longer used for the required purposes stated herein. Upon said terminations, personal property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER by CITY.

C. Termination and Recapture of Taxes in Event of Cessation of Business Activities. If SUPPLIER occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the site for a continuous period of three months during the Tax Phase-In Period for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the City Council shall have the right to terminate this Agreement and the Term. Said terminations shall be effective for the calendar year during which the Property was no longer used for the required purposes stated herein. Upon said terminations, all property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER by CITY.

D. Termination and Recapture of Taxes for Failure to Maintain Minimum Number of Employees. If SUPPLIER, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") for such calendar year of noncompliance, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the number of employees. For example, if SUPPLIER hires and retains ninety percent (90%) of the minimum number of non-temporary full-time employees in a given year, SUPPLIER shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, but subject to a floor of fifty percent (50%). If SUPPLIER fails to hire and retain at least fifty percent (50%) of the minimum number of non-temporary full-time employees in a given year then, at the option of City Council, this failure may be grounds for termination of this Agreement and the Term. Said termination shall be effective for the calendar year during which the number of permanent full-time employees stated herein have not been hired or retained as required. Upon said terminations, all property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER.

E. Cure Period and Declaration of Default. During the Term, CITY may declare a default if SUPPLIER fails to comply with any of the terms of this Agreement. Should CITY determine SUPPLIER is in default under any of the terms of this Agreement, CITY will notify SUPPLIER in writing at the address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the "Cure Period"), then City Council shall have the right to terminate this Agreement. CITY may extend the Cure Period if SUPPLIER commences the cure within the Cure Period and SUPPLIER is diligently pursuing such cure. If the Agreement is terminated as a result of default, all property taxes will be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from SUPPLIER all previously abated property taxes under this Agreement and said taxes shall be paid by SUPPLIER within sixty (60) calendar days of receiving CITY'S written notification of recapture.



F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if SUPPLIER defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which SUPPLIER may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Property, or changes in ownership or in management thereof, so long as SUPPLIER, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If SUPPLIER fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then the City Council shall have the right to recapture from SUPPLIER a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

$$\begin{array}{ccccc} & & \text{Applicable Percentage} & & \text{Amount to be} \\ \text{Total Taxes Abated} & \times & & = & \\ & & \text{from above Schedule} & & \text{Recaptured} \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to SUPPLIER.

## 8. **AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)**

For purposes of this section, "Force Majeure" is defined as an act of God or natural disaster. It also includes explosion or other casualty or accident which is not the result of negligence, intentional act or misconduct on the part of SUPPLIER. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if SUPPLIER is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon SUPPLIER. To obtain release based upon this Article 8, SUPPLIER must file a written request with the CITY'S Economic Development Department for processing to City Council for a decision, authorized by a duly approved Ordinance.

9. **NOTICE**

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

**TO SUPPLIER:**

- (Whether personally delivered or mailed):

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TO CITY:**

- If mailed:

Economic Development Department  
Attn: Director  
P.O. Box 839966  
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department  
Attn: Director  
City Hall, 4th Floor  
Military Plaza  
San Antonio, Texas 78205

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number \_\_\_\_\_, dated \_\_\_\_\_, 2006.

11. **ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. SUPPLIER must submit a written request to CITY for approval of the proposed assignment or other transfer at least thirty (30) days prior to the effective date of the assignment or transfer of any part of the Property; however, no City Council consent is required for an assignment or transfer to a parent of SUPPLIER, a subsidiary of SUPPLIER, an affiliate entity of SUPPLIER, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of SUPPLIER. However, SUPPLIER shall give CITY prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph P. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement.

## **12. GENERAL PROVISIONS**

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project. No bonds for which the CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. SUPPLIER acknowledges that City Council approval is required for any and all of these actions.

## **13. SEVERABILITY**

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

## **14. ESTOPPEL CERTIFICATE**

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of SUPPLIER or other party designated by SUPPLIER which shall include, but not necessarily be limited to, statements that this Agreement

is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.

**15. OWNER STANDING**

SUPPLIER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and SUPPLIER shall be entitled to intervene in said litigation.

**16. APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas and is performable in Bexar County, Texas, the location of the ZONE.

**17. DUPLICATE ORIGINALS**

This Agreement shall be executed in two duplicate originals, with a duplicate original going to each party.

**CITY OF SAN ANTONIO,**  
a Texas Municipal Corporation

\_\_\_\_\_  
Sheryl L. Sculley  
CITY MANAGER

\_\_\_\_\_  
By:  
Title:

ATTEST:

ATTEST:

\_\_\_\_\_  
Leticia Vacek  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael D. Bernard  
CITY ATTORNEY

## EXHIBIT A: PROPERTY DESCRIPTION

## EXHIBIT B: EMPLOYEE BENEFITS

EMPLOYMENT C: NUMBER OF JOBS AND WAGE INFORMATION FORM

# **EXHIBIT C**



**CITY OF SAN ANTONIO  
TAX PHASE-IN AGREEMENT**

**1. PARTIES**

THIS AGREEMENT (the "Agreement") is entered into on this \_\_\_\_ day of \_\_\_\_\_ 2006, by and between TOYOTA TSUSHO AMERICA, INC. AND METOKOTE (hereinafter referred to as "SUPPLIER"), holding a leasehold interest in real property and as personal property owner, and the CITY OF SAN ANTONIO, a municipal corporation, (hereinafter referred to as the "CITY"), acting by and through its City Manager.

**2. AUTHORIZATION AND FINDINGS**

A. This Agreement is entered into pursuant to the following authorities:

1. The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;

2. CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 98692 on January 8, 2004, together which established the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones, (hereinafter referred to as the "Guidelines and Criteria");

3. The State of Texas designation of the SAN ANTONIO EMPOWERMENT ZONE/REINVESTMENT ZONE, EZ357-012302-SAEZ (the "Zone"); and

4. CITY COUNCIL ORDINANCE NO. \_\_\_\_\_, dated \_\_\_\_\_, 2006, which specifically approved this Agreement and authorized execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that while the terms of this Agreement may provide exceptions to the Guidelines and Criteria, the approval of this Agreement will not have any substantial long-term adverse effect on the provision of CITY services or the CITY'S tax base and the planned use of the Property (defined below) inside the Zone by SUPPLIER for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to the County of Bexar's Tax Abatement Agreement with the Supplier.

D. Toyota Motor Manufacturing Texas has certified in its agreement with Starbright Industrial Development Corporation that jobs referenced in this Agreement are separate and apart from any job creation requirements identified in any other agreements.

**3. PROPERTY**

A. SUPPLIER has a taxable leasehold interest in the real property which is the subject of this Agreement and which is indicated and legally described in Exhibit A, attached hereto and incorporated herein (the "Property"). With a real property improvement investment of approximately THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000.00), a personal property investment of approximately THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000.00) and an investment of approximately ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) in inventory and supplies, SUPPLIER will construct a building on said Property and equip said building for the purpose of installing an electro-coating system and support equipment to apply protective coating to various components of the Toyota Tundra program. SUPPLIER will conduct, on the Property, normal business activities including, but not limited to, activities in the manufacturing, assembly, or distribution of automotive components (hereinafter collectively referred to as the "Business Activities") or the normal Business Activities of a Related Organization (defined in Article 5, Paragraph I) so long as such Business Activities include the normal Business Activities of a manufacturer, assembler or distributor of automotive components or similar activity. SUPPLIER shall invest, or cause to be invested, approximately SEVEN MILLION THREE HUNDRED THOUSAND DOLLARS (\$7,300,000.00) in real property improvements, personal property improvements, and supplies by JANUARY 1, 2007. SUPPLIER shall be entitled to tax abatements authorized herein for the real property improvements, personal property improvements, and inventory and supplies, above the Base Year Value (as defined in Article 6, Paragraph A) if SUPPLIER or a Related Organization undertakes Business Activities in accordance with the terms of this Agreement in the ZONE.

B. SUPPLIER will establish a tax account for real and personal property with the Bexar Appraisal District regarding the Property and provide these tax account numbers to the CITY.

#### **4. SUPPLIER'S REPRESENTATIONS**

A. SUPPLIER represents that they have no knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or any other City officer or employee. SUPPLIER further represents that they shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. SUPPLIER represents that there is no litigation pending against SUPPLIER for any violations under the Occupational Safety and Health Act ("OSHA").

#### **5. TERMS OF THE AGREEMENT**

A. Obligations of SUPPLIER. For SUPPLIER to receive the tax abatement authorized herein: (1) SUPPLIER shall own, hold an interest in or otherwise control the Property and shall invest, or cause to be invested, a minimum of THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000.00) in the real property improvements, THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000.00) in the personal

property improvements, and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) in inventory and supplies on the Property described in Article 3, Paragraph A by January 1, 2007; (2) SUPPLIER shall hire a minimum of FORTY-FOUR (44) non-temporary, full-time employees by JANUARY 1, 2007; and (3) SUPPLIER shall occupy and use the Property for its Business Activities and otherwise comply with the applicable terms of this Agreement.

B. Wage Requirement. SUPPLIER covenants and agrees that it shall pay at least one hundred percent (100%) of its employees nine dollars and six cents (\$9.06) per hour as of the time City Council of CITY authorized execution of this Agreement.

C. Full-Time Employee. For the purposes of this Agreement, a full-time job shall be equivalent to two thousand eighty (2,080) straight-time paid hours in a fiscal year.

D. Employee Benefits. SUPPLIER covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of SUPPLIER.

E. Compliance with Employment Regulation. SUPPLIER covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. Compliance with Business Activities Regulation. SUPPLIER also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph A) on the Property in accordance with all applicable federal, state and local laws.

G. Compliance with Construction Regulation. SUPPLIER shall construct, or cause to be constructed, any improvements made to the Property in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

H. Improvements Completion. SUPPLIER shall substantially complete, or cause to be completed, all real and personal property improvements by January 1, 2007 and will house SUPPLIER'S Business Activities (as defined in Article 3, Paragraph A) on the Property in the ZONE. SUPPLIER shall be entitled to such additional time to complete said improvements as may be required due to any "Force Majeure" event, so long as SUPPLIER diligently pursues said completion of improvements. For purposes of this Agreement, "Force Majeure" shall be as defined in Article 8 below. The CITY shall have the final determination, to be exercised reasonably and in good faith, whether to extend such period of time for said completion for reasons of Force Majeure. SUPPLIER shall notify the CITY of the completion of the personal property improvements by sending notice to the address listed in Article 9 (Notice) within one month of completion.

I. Authorized Business Activities. Except as provided herein, SUPPLIER covenants and agrees that it shall use the Property only to conduct its Business Activities. Without additional

consent or approval by the City Council, a parent, subsidiary or affiliate organization of SUPPLIER or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of SUPPLIER, or any component thereof (hereinafter "Related Organization") may occupy and use the Property for such Related Organization's normal business activities, so long as such business activities are those of a manufacturer, distributor, and or producer of automotive components, or similar or comparable to the Business Activities of SUPPLIER on the Property. To be eligible for tax abatements as provided in this Agreement, such Related Organization shall comply with all applicable terms of this Agreement. Except as authorized above, SUPPLIER covenants and agrees not to change the principal use of the Property without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. Maintenance Obligations. SUPPLIER covenants and agrees that they shall maintain the Property and any constructed improvements in good repair and condition during the Tax Phase-In Period, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of SUPPLIER excepted. Compliance with the maintenance obligations imposed herein shall be presumed if SUPPLIER follows its normal and customary maintenance procedures and schedules.

K. Inspections by the City. Upon five business days prior notice to SUPPLIER by CITY, SUPPLIER covenants and agrees that they shall allow designated representatives of the CITY access to the Property during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. (This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances). The CITY's access to SUPPLIER's books and records will be limited to information needed to verify that SUPPLIER is and has been conducting Business Activities, and to verify the number of non-temporary full-time employees at the Facility. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require SUPPLIER to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of SUPPLIER. CITY representatives may be accompanied by SUPPLIER representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or the Facility; and (b) comply with SUPPLIER's reasonable security requirements.

L. Disclosure to Bexar Appraisal District. During the term of this Agreement, SUPPLIER covenants and agrees to furnish each year, as applicable the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax phase-in and for appraisal purposes.

M. Disclosure to CITY. SUPPLIER covenants and agrees that it shall provide the CITY's Director of Economic Development with a semi-annual certification from an officer of SUPPLIER attesting to the number of jobs created and maintained, as well as wages paid, by SUPPLIER on the Property. SUPPLIER shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY, during the term of this Agreement. The information provided shall be on the forms set forth in, or substantially similar to the forms set forth in, Exhibit "C" (attached hereto and incorporated herein), as amended.

N. Local Employment Goal. SUPPLIER covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County.

O. Notification Requirement Regarding Sale, Transfer or Sub-lease of Property. SUPPLIER covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or sub-lease of the Property during the Term. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by SUPPLIER under Article 11 and any new purchaser or transferee requesting Assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph O may render SUPPLIER subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. Notification Requirement Regarding Relocation or Cessation of Business. SUPPLIER covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may render SUPPLIER subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

Q. Penalty for Default/Termination. If, during this Agreement SUPPLIER fails to create and retain at least the minimum number of non-temporary, full-time jobs required under Article 5, Paragraph A of this Agreement, or SUPPLIER fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against SUPPLIER.

R. Other Actions Resulting in Default/Termination. If, during this Agreement, SUPPLIER allows its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or is in default with any loan which has been made by the San Antonio Development Agency, South Texas Business Fund, City of San Antonio Industrial Development Authority or any other CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

## 6. **TAX PHASE-IN**

A. Term. The Tax Phase-In Period (the "Term") for the Property improvements shall be for 10 years beginning on January 1 of the year following the City's annexation of the "Property," but not later than January 1, 2007. The base year for calculating the value of the Property shall be January 1, 2006. The "Base Year Value" of the Property shall be the assessed value (determined by the Bexar Appraisal District), as of the Base Year, of the personal property located thereon.

B. Conditions Precedent. At the commencement of the Term, SUPPLIER shall own, have an interest in or otherwise control the Property. SUPPLIER shall also conduct its Business Activities on the Property. A Tax Phase-In shall be granted in each year of the Term as described in Article 6, Paragraph C below.

C. Additional Conditions and Tax Phase-In Percentage. Provided that SUPPLIER has invested in the Property real and personal property improvements as described in Article 3, Paragraph A of this Agreement by January 1, 2007, SUPPLIER has hired the number of employees specified in Article 5, Paragraph A of this Agreement, SUPPLIER pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, SUPPLIER uses the Property for its Business Activities, and SUPPLIER is otherwise in compliance with the conditions of this Agreement, then eighty-percent (80%) of the ad valorem taxes for the real and personal Property improvements including inventory and supplies, above the Base Year Value, shall be abated during the Term. There shall be no abatement of taxes for the underlying land value.

D. Base Year Taxation. SUPPLIER understands and agrees that the Base Year Value of the Property and the tax levy based on said Base Year Value of the Property in the ZONE shall not decrease, but taxes may increase and that the amount of property taxes paid by SUPPLIER to the CITY attributable to the Property during the Term shall not be less than the amount of taxes attributable to the Property paid to the CITY for the base year tax year, if any, except in the event of casualty or condemnation of the Property in the ZONE.

E. Protest Rights. SUPPLIER shall have the right to protest appraisals of the Property, or any portion thereof, or the value of any improvements over and above the Base Year Value as applicable.

## 7. **DEFAULT/TERMINATION/RECAPTURE**

A. Relocation Defined. For purposes of this section, "Relocation" or "Relocate" shall mean SUPPLIER or a Related Organization which has taken the place of SUPPLIER, relocating Business Activities to a location outside the TMMTX supplier park.

B. Termination and Recapture of Taxes in Event of Relocation of Business Activities. If SUPPLIER occupies and uses the Property for its Business Activities and subsequently Relocates (as defined in this Article 7, Paragraph A) during the Term, except if such Relocation of Business Activities is caused by a Force Majeure, as defined in Article 8, then City Council shall have the right to terminate this Agreement and the Term. Said terminations shall be effective for the calendar year during which the Property was no longer used for the required purposes stated herein. Upon said terminations, personal property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER by CITY.

C. Termination and Recapture of Taxes in Event of Cessation of Business Activities. If SUPPLIER occupies and uses the Property for its Business Activities and subsequently ceases

conducting Business Activities (or a substantial portion thereof) at the site for a continuous period of three months during the Tax Phase-In Period for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the City Council shall have the right to terminate this Agreement and the Term. Said terminations shall be effective for the calendar year during which the Property was no longer used for the required purposes stated herein. Upon said terminations, all property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER by CITY.

D. Termination and Recapture of Taxes for Failure to Maintain Minimum Number of Employees. If SUPPLIER, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") for such calendar year of noncompliance, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the number of employees. For example, if SUPPLIER hires and retains ninety percent (90%) of the minimum number of non-temporary full-time employees in a given year, SUPPLIER shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, but subject to a floor of fifty percent (50%). If SUPPLIER fails to hire and retain at least fifty percent (50%) of the minimum number of non-temporary full-time employees in a given year then, at the option of City Council, this failure may be grounds for termination of this Agreement and the Term. Said termination shall be effective for the calendar year during which the number of permanent full-time employees stated herein have not been hired or retained as required. Upon said terminations, all property taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured and shall be paid to CITY within sixty (60) calendar days from the date of said termination notices to SUPPLIER.

E. Cure Period and Declaration of Default. During the Term, CITY may declare a default if SUPPLIER fails to comply with any of the terms of this Agreement. Should CITY determine SUPPLIER is in default under any of the terms of this Agreement, CITY will notify SUPPLIER in writing at the address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the "Cure Period"), then City Council shall have the right to terminate this Agreement. CITY may extend the Cure Period if SUPPLIER commences the cure within the Cure Period and SUPPLIER is diligently pursuing such cure. If the Agreement is terminated as a result of default, all property taxes will be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from SUPPLIER all previously abated property taxes under this Agreement and said taxes shall be paid by SUPPLIER within sixty (60) calendar days of receiving CITY'S written notification of recapture.

F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if SUPPLIER defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and

all lawful offsets, settlements, deductions or credits to which SUPPLIER may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Property, or changes in ownership or in management thereof, so long as SUPPLIER, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If SUPPLIER fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then the City Council shall have the right to recapture from SUPPLIER a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

$$\begin{array}{ccccc} & & \text{Applicable Percentage} & & \text{Amount to be} \\ & & & & \\ \text{Total Taxes Abated} & \times & & = & \\ & & \text{from above Schedule} & & \text{Recaptured} \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to SUPPLIER.

#### 8. **AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)**

For purposes of this section, "Force Majeure" is defined as an act of God or natural disaster. It also includes explosion or other casualty or accident which is not the result of negligence, intentional act or misconduct on the part of SUPPLIER. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if SUPPLIER is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon SUPPLIER. To obtain release based upon this Article 8, SUPPLIER must file a written request with the CITY'S Economic Development Department for processing to City Council for a decision, authorized by a duly approved Ordinance.

#### 9. **NOTICE**



Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

**TO SUPPLIER:**

- (Whether personally delivered or mailed):

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TO CITY:**

- If mailed:

Economic Development Department  
Attn: Director  
P.O. Box 839966  
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department  
Attn: Director  
City Hall, 4th Floor  
Military Plaza  
San Antonio, Texas 78205

**10. CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number \_\_\_\_\_, dated \_\_\_\_\_, 2006.

## **11. ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. SUPPLIER must submit a written request to CITY for approval of the proposed assignment or other transfer at least thirty (30) days prior to the effective date of the assignment or transfer of any part of the Property; however, no City Council consent is required for an assignment or transfer to a parent of SUPPLIER, a subsidiary of SUPPLIER, an affiliate entity of SUPPLIER, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of SUPPLIER. However, SUPPLIER shall give CITY prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph P. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement.

## **12. GENERAL PROVISIONS**

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project. No bonds for which the CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. SUPPLIER acknowledges that City Council approval is required for any and all of these actions.

## **13. SEVERABILITY**

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

## **14. ESTOPPEL CERTIFICATE**

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of SUPPLIER or other party designated by

SUPPLIER which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.

**15. OWNER STANDING**

SUPPLIER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and SUPPLIER shall be entitled to intervene in said litigation.

**16. APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas and is performable in Bexar County, Texas, the location of the ZONE.

**17. DUPLICATE ORIGINALS**

This Agreement shall be executed in two duplicate originals, with a duplicate original going to each party.

**CITY OF SAN ANTONIO,**  
a Texas Municipal Corporation

\_\_\_\_\_  
Sheryl L. Sculley  
CITY MANAGER

\_\_\_\_\_  
By:  
Title:

ATTEST:

ATTEST:

\_\_\_\_\_  
Leticia Vacek  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael D. Bernard  
CITY ATTORNEY

## EXHIBIT A: PROPERTY DESCRIPTION

## EXHIBIT B: EMPLOYEE BENEFITS

EMPLOYMENT C: NUMBER OF JOBS AND WAGE INFORMATION FORM